

# The Gazette of India



EXTRAORDINARY

PART II—Section 2

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LOK SABHA

The following Bill was introduced in Lok Sabha on the 14th April, 1958:—

\*BILL NO. 44 OF 1958

*A Bill further to amend the Employees' Provident Funds Act, 1952.*

BE it enacted by Parliament in the Ninth Year of the Republic of India as follows:—

1. This Act may be called the Employees' Provident Funds (Amendment) Act, 1958. Short title.

19 of 1952. 5 2. In section 2 of the Employees' Provident Funds Act, 1952 (hereinafter referred to as the principal Act), for clause (a), the following clause shall be substituted, namely:— Amendment of section 2.

'(a) "appropriate Government" means—

10 (i) in relation to an establishment belonging to, or under the control of, the Central Government or in relation to an establishment connected with a railway company, a major port, a mine or an oil field or a controlled industry, the Central Government; and

15 (ii) in relation to any other establishment, the State Government;'

3. In section 16 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:— Amendment of section 16.

20 "(1) This Act shall not apply to any establishment until the expiry of three years from the date on which the establishment is, or has been, set up.

*Explanation.*—For the removal of doubts, it is hereby declared that an establishment shall not be deemed to be newly set up merely by reason of a change in its location."

\*The President has, in pursuance of clause (3) of article 117 of the Constitution of India, recommended to Lok Sabha, the consideration of the Bill.

## STATEMENT OF OBJECTS AND REASONS

The Employees' Provident Funds Act, 1952, does not apply at present to any establishment belonging to the Government or a local authority by virtue of section 16 (1) (a) of the Act. It has been felt that this exception in favour of the establishments owned by Government or a local authority offends against the principle of uniformity of treatment of the public and the private sectors in the matter of application of labour laws. It is, therefore, proposed to omit clause (a) of section 16(1) of the Act. It is also proposed to amend the definition of "appropriate Government" in section 2(a) of the Act in order to enable the Central Government under section 17 to exempt, in suitable cases, any establishment belonging to, or under the control of, the Central Government or connected with a railway company or a major port. The present Bill seeks to achieve these objects.

G. L. NANDA.

NEW DELHI;

*The 31st March, 1958.*

## FINANCIAL MEMORANDUM

This Bill contemplates to bring establishments belonging to Government or a local authority within the purview of the Employees' Provident Funds Act and the Scheme framed thereunder. Section 6 of the Act lays down that the contribution which shall be paid by the employer to the Employees' Provident Fund shall be six and a quarter per cent. of the basic wages and the dearness allowance including the cash value of food concession, if any, for the time being payable to each of the employees. Most of the establishments belonging to the Central Government which would be covered under the Act have provident funds of their own.

2. An establishment covered under the Employees' Provident Funds Scheme is required to pay administrative charges at 3% of the total employees' and employers' contributions.

3. An establishment may seek exemption from the operation of the Statutory Scheme and continue to run its own Scheme in case its benefits in the nature of provident fund, pension or gratuity, are separately or on the whole not less favourable than the provisions of the Act and the Statutory Scheme. In that case the establishment is required to pay inspection charges at 3/4% of the employees' and employers' contribution. It is not likely that any additional expenditure would be involved from the Consolidated Fund of India on account of contribution to the provident funds but the Bill would entail additional expenditure in the matter of payment of administrative or inspection charges.

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M. N. KAUL,  
*Secretary.*

